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March 24, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**  
**BOARD OF SUPERVISORS**  
**COUNTY OF LOS ANGELES**

**#03      MAR 24, 2009**

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**ADOPT A RESOLUTION AUTHORIZING A FEE INCREASE FOR  
RECORDING REAL ESTATE INSTRUMENTS WITHIN THE COUNTY  
AND AUTHORIZING THE CONTINUATION OF THE REAL ESTATE  
FRAUD INVESTIGATION AND PROSECUTION PROGRAM  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

Resolution authorizing an increase to the recording fee from two dollars (\$2) to three dollars (\$3) to fund the continuation of the Real Estate Fraud Investigation and Prosecution Program pursuant to Government Code § 27388.

**IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:**

- 1) Close the public hearing at the conclusion of public testimony.
- 2) Adopt the enclosed resolution to authorize an increase to the fee for recording any real estate instrument, paper, or notice, from two dollars (\$2) to three dollars (\$3), with the funds to be placed in a Real Estate Fraud Prosecution Trust Fund, with 60 percent of the funds to be distributed to the District Attorney and 40 percent to local law enforcement agencies, as determined by the Real Estate Fraud Prosecution Committee; these funds shall be used for the exclusive purpose of deterring, investigating, and prosecuting real estate fraud crimes (Government Code § 27388).

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On January 11, 1996, the Board of Supervisors (Board) adopted a resolution to implement a program for the enhanced investigation and prosecution of real estate fraud, especially crimes against low income and unsophisticated victims who lose their homes due to foreclosures. The Board also authorized at that time, pursuant to Government Code § 27388 ("§ 27388"), a two dollar (\$2) fee to be paid at the time any real estate instrument, paper, or notice required or permitted by law within Los Angeles County was recorded.

On September 27, 2008, Governor Schwarzenegger signed Senate Bill 1396, which increased the allowable fee under § 27388 to three dollars (\$3) effective January 1, 2009. Upon resolution by the Board, the County may increase the recording fee from two dollars (\$2) to three dollars (\$3).

The additional revenue generated by this fee will partially offset the cost of aggressively prosecuting those responsible for crimes involving real estate fraud. The business of real estate involves many transactions which have a substantial potential for abuse and illegal activities, especially for homeowners. Fraud accounts for a large percentage of losses suffered in the field of real estate and real estate fraud is a fast growing segment of major fraud in this country. The victims are often the elderly, poor and uneducated residents of the county who are unsophisticated in the complexities of property law. They continue to be the main beneficiaries of the enhanced real estate fraud prosecution program.

### **Implementation of Strategic Plan Goals**

This action supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, by securing an available revenue source and Strategic Plan Goal No. 8, Public Safety, by providing the necessary funds to prosecute those responsible for crimes involving real estate fraud.

### **FISCAL IMPACT/FINANCING**

The collection of recording fees has steadily declined each fiscal year since FY 2003-04. However, the collected fees do help to offset the cost of collection incurred by the Los Angeles County Registrar-Recorder's Office.



They also partially offset the costs incurred by the District Attorney's Real Estate Fraud Section while working to deter, investigate, and prosecute real estate fraud crimes. Revenue in the amount of \$3,000,000 is included in the District Attorney's FY 2008-09 budget for the real estate fraud program.

The significant decline in recording fee collections has resulted in limited reimbursement of specific real estate fraud prevention activities by the, Los Angeles County Sheriff's Department, Los Angeles Police Department, and the Inglewood Police Department for FY 2008-09. In addition, reimbursement for qualified proposals received from the Cities of Long Beach, Redondo Beach, Glendale, and Burbank police departments, respectively, were denied reimbursement for any of the specific real estate prevention activities they each proposed due to the decline in collections.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Prior to adopting an ordinance, resolution, or other legislative enactment adopting a new fee or approving an increase in an existing fee, Government Code § 66018 requires a local agency to hold a public hearing, at which oral or written presentations can be made. The Board of Supervisors' Executive Office, in accordance with Government Code § 6062(a), published an official notice of the time and place of said meeting, including a general explanation of the fee to be established or revised. Section 27388 authorizes the County, by resolution, to impose a fee of up to three dollars (\$3), effective January 1, 2009, to be paid at the time of recording every real estate instrument, paper, or notice required or permitted by law to be recorded within that county, except those expressly exempted from payment of recording fees.

This Board Letter and Resolution have been reviewed and approved by County Counsel.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

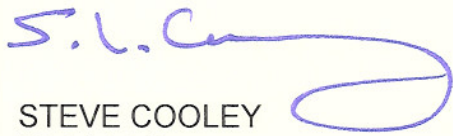
This action does not propose attorney staff augmentation. Therefore, the District Attorney's Office is not subject to the Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Public Defender, and Sheriff's Departments.

The Honorable Board of Supervisors  
March 24, 2009  
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**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two copies of the adopted Board Letter and Resolution to Ms. Susy Orellana, Budget and Fiscal Services Division, District Attorney's Office, 201 N. Figueroa Street, Suite 1300, Los Angeles, California 90012. Any questions may be directed to Ms. Orellana at (213) 202-7654.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. L. Cooley", followed by a large, stylized circular flourish.

STEVE COOLEY  
District Attorney

Iso:mc

c: Chief Executive Officer  
County Counsel  
Auditor-Controller  
Sheriff  
Registrar Recorder/County Clerk



**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO AUTHORIZE AN INCREASE TO THE FEE FOR RECORDING REAL ESTATE INSTRUMENTS FROM TWO DOLLARS (\$2) TO THREE DOLLARS (\$3) IN ACCORDANCE WITH GOVERNMENT CODE SECTION 27388 AND FOR THE CONTINUATION OF THE REAL ESTATE FRAUD INVESTIGATION AND PROSECUTION PROGRAM**

**WHEREAS**, Government Code Section 27388 ("§ 27388") provides that counties may, upon resolution, authorize a fee for recording any real estate instrument, paper, or notice required or permitted by law to be recorded within that county, except those expressly exempted from payment of recording fees so as to provide additional funds for the District Attorney and law enforcement to deter, investigate, and prosecute real estate fraud crimes; and

**WHEREAS**, on January 11, 1996, this Board adopted a resolution authorizing an enhanced real estate fraud investigation and prosecution program to protect unsophisticated victims facing the loss of their homes, funded by a two dollar (\$2) fee for recording real estate instruments to finance the investigation and prosecution of real estate fraud crimes in accordance with § 27388; and

**WHEREAS** § 27388 was amended on September 27, 2008 to allow counties, beginning on January 1, 2009, to increase the fee to three dollars (\$3).

**WHEREAS**, the County of Los Angeles is in continued need of a program to reduce the victimization of the elderly, poor, and uneducated residents who are unsophisticated in the complexities of property law; and

**WHEREAS**, the intent of this program is to impact real estate fraud involving the largest number of victims, emphasizing individuals whose residences are in danger of, or are in foreclosure; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Supervisors of the County of Los Angeles that:

The Registrar-Recorder shall impose a three dollar (\$3) fee at the time of recording of every real estate instrument, paper, or notice recorded in Los Angeles County as defined in § 27388, except those expressly exempted from payment of recording fees. The funds shall continue to be placed in the Real Estate Fraud Prosecution Trust Fund, with 60 percent of the funds to be distributed to the District Attorney and 40 percent to local law enforcement agencies, as determined by the Real Estate Fraud Prosecution Trust Fund Committee. These funds are to be used for the exclusive purpose of deterring, investigating, and prosecuting real estate fraud crimes.

The foregoing resolution was on the 24<sup>TH</sup> day of March 2009, adopted by the Board of Supervisors of the County of Los Angeles.



SACHI A. HAMAI,  
Executive Officer-Clerk of the  
Board of Supervisors of the  
County of Los Angeles

By

Deputy

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.  
County Counsel

By

JENNIFER LEHMAN

Principal Deputy County Counsel